



NLC TAMILNADU POWER LIMITED

(A JVC between NLC India Ltd & TANGEDCO
and a Subsidiary of NLC India Limited)

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COMMENTS ON DRAFT CENTRAL ELECTRICITY REGULATORY COMMISSION
(DEVIATION SETTLEMENT MECHANISM AND RELATED MATTERS) REGULATIONS, 2024

No. L-1/260/2021/CERC Dated 30th April 2024

Regulation 8 (1)

CHARGES FOR DEVIATION IN RESPECT OF A GENERAL SELLER

NTPL Comments

- The proposed draft regulation imposes stringent penalty mechanism on deviation by generators which will cause heavy financial burden to the generators.
- It is submitted that in real time operation, it is practically impossible for thermal generating stations to maintain AG/SG as 100% because of the following constraints
 - o Frequent schedule changes due to revision by beneficiaries
 - o Dynamic scheduling under Ancillary Services
 - o URS Power Sale in volatile power market and
 - o SCED scheduling
- In such case, deviation from scheduled generation is inevitable and is a part of normal operation of thermal power plant. Hence, to take care of this unintentional deviations, an **operating margin of +/- 2% may be provided within the frequency band in which over-injection and under-injection shall be settled at the rate of ECR without imposing penalty**
- It is to be noted that during cyclic schedule changes, the average scheduled generation & scheduled ramp rate in a block could not be achieved at all. The Boiler Response time varies from 6 to 8 mins. During load ramping, achieving scheduled generation without deviation is not possible. Considering the real time constraints in achieving scheduled ramp rate in the

blocks where there is change in direction of scheduled ramp rate, relaxations were provided by Grid-India in Ramp Rate Assessment computation. However, this would reflect in deviation in AG and the charges for deviation is computed as per the existing DSM Regulations causing huge financial loss to generators.

- Due to intervention of NLDC - AGC scheduling in RLDC Scheduling (i.e., RLDC scheduling in one direction and AGC scheduling in opposing direction), it is impossible to achieve scheduled generation and maintain AG/SG as 100% in all blocks.
- Also, Primary Frequency Response (FGMO) is a governor operation based on real time frequency and not under the control of generators which will also result in block deviation and attracts Deviation charge.
- NTPL Thermal Power Plant being an Ancillary Service Provider and station under SCED & SCUC scheduling, maintaining AG/SG ratio as 100% at all times is practically not possible and deviation from scheduled generation is inevitable and part of normal operation of thermal power plant
- In such scenario, the proposed DSM framework with high penalty and low incentive will surely affect the financial healthiness of the generators

Considering the above difficulties, it is suggested to modify the penalty mechanism as follows

(I) Charges For Deviation [2% to 10% D_{GS}] and f within f_{band}

Frequency Range	As per Draft Regulation	To be modified as
50.00 Hz < f ≤ 50.05 Hz	Deviation by way of Over injection (Receivable by Seller)	
	for every increase in f by 0.01 Hz, charges for deviation shall be reduced by 10% of RR so that charges for deviation become 50% of RR when f = 50.05 Hz	for every increase in f by 0.01 Hz, charges for deviation shall be reduced by 3% of RR so that charges for deviation become 85% of RR when f = 50.05 Hz
49.90 Hz ≤ f < 50.00 Hz	Deviation by way of Under Injection (Payable by the Seller)	
	for every decrease in f by 0.01 Hz, charges for deviation for such seller shall be increased by 5% of RR so that charges for deviation becomes 150% of RR when f = 49.90 Hz	for every decrease in f by 0.01 Hz, charges for deviation for such seller shall be increased by 1.5% of RR so that charges for deviation becomes 115% of RR when f = 49.90 Hz

(II) For Deviation [2% to 10% D_{GS}] and f outside f_{band}

Frequency Range	As per Draft Regulation	To be modified as
Deviation by way of Over injection (Receivable by Seller)		
50.05 Hz < f < 50.10 Hz	@ Zero	@ 85% of RR
F ≥ 50.10 Hz	@10% of RR	@ 85% of RR
Deviation by way of Under Injection (Payable by the Seller)		
F < 49.90 Hz	@ 150% of RR	@ 115% of RR

(III) For Deviation beyond [10% D_{GS} or 100 Mw, whichever is less] and f within and outside f_{band}

Frequency Range	As per Draft Regulation	To be modified as
Deviation by way of Under Injection (Payable by the Seller)		
49.90 Hz ≤ f < 50.00 Hz	@ 150% of RR	@ 115% of RR
f < 49.90 Hz	@ 200% of RR	@ 120% of RR

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24/5/24
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